GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

STARRED QUESTION NO:262
ANSWERED ON:09.08.2001
CORPORATISATION OF RAILWAYS
VINAY KUMAR SORAKE;YEMPARALA VENKATESWARA RAO

Will the Minister of RAILWAYS be pleased to state:

(a) whether the Government propose to corporatise the Railways to make it financially viable;

(b) whether the Planning Commission has in its approach paper to the Tenth Plan has also suggested corporatisation of Railways;

(c) if so, the details of the proposal before the Government in this regard; and

(d) the decision taken thereon?

Answer

MINISTER OF RAILWAYS (SHRI NITISH KUMAR)

(a) to (d): A Statement is laid on the Table of the Sabha.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 262 BY SHRIY.V.RAO AND SHRI VINAY KUMAR SORAKE TO BE ANSWERED ON 09.8.2001 REGARDING CORPORATISATION OF RAILWAYS

(a) No, Sir.

(b) & (c): Yes, Sir. The extracts from Planning Commission's draft Approach Paper to X Plan are reproduced below;

If the provision of rail transport services, which lacks customer focus at present, is to be replaced by a system which provides services in line with consumer needs, it will require restructuring of Indian Railways. Indian Railways should concentrate on its core function, i.e. running of transport services on commercial lines, while spinning off non-core/peripheral activities, such as manufacturing units, into individual corporations. These can remain in the public sector for the time being, but should operate like any other public sector unit on commercial accounting principles. More generally, Indian Railways itself should be corporatised instead of being run as a Government department."

(d): While Ministry of Railways is alive to the need to improve customer focus and quality of service provided to users of both Indian Railways freight and passenger services and has been consistently working thereon, it does not subscribe to the view that significant benefits would accrue by corportaising the organisation as a whole.